*** NOTE:  TO RETURN TO THIS PAGE, CLICK ON EMBLEM

CLICK HERE FOR HEALTH SERVICES's REPORT DATED JUNE 12, 2007

CLICK HERE FOR HEALTH SERVICES's REPORT DATED JUNE 22, 2007

Health Services
LOS ANGELES COUNTY

June 12, 2007



313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health through leadership, service and education*

TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.
Director and Chief Medical Officer

SUBJECT: **MARTIN LUTHER KING JR., - HARBOR HOSPITAL**

I come before you today at the critical juncture in the future of health service delivery in South Los Angeles. Our Martin Luther King, Jr. - Harbor Hospital (MLK-Harbor) has received two harsh judgments regarding incidents involving the care of two patients and issues related to the care of patients in general in the hospital. Questions have been raised about the progress that the hospital has made in its radical reformation from its difficult past as a tertiary teaching hospital that repeatedly failed to serve patients safely or to meet national standards, to a hospital that is focused on serving the immediate, basic health care needs of this large community that lacks other health care options.

The Department's work at MLK-Harbor is an unprecedented effort, for which there is no road map or template. In spite of what you have heard and what has been said, there have been gains in the quality of care. We continue to make changes in response to our own assessments, the feedback from the Centers of Medicare and Medicaid Services (CMS) and the State Department of Health Services and today I will describe an important change we have made as a direct result of the CMS survey. And finally, I will tell you why I am more confident today than I was six months ago about the care at MLK-Harbor and its potential to pass the CMS survey in July.

Since September 22, 2006, when we learned that CMS had evaluated the hospital and found that it failed to meet many of their national standards of patient care and safety, the hospital, the entire Department of Health Services, the County leadership, your Board and the State and federal regulators have been embarked on the most difficult and dramatic effort to reinvent a failing hospital that has been undertaken in the United States. As I have told you and the public many times, there is no roadmap for this difficult work and there is no template that guarantees that our efforts will be successful.

Our Department operates 5 very large and complex medical centers. Four of them meet or exceed national standards, are fully accredited and have not had the difficulty maintaining safe and compassionate patient care. MLK-Harbor, on the other hand, has had a history going back more than a decade of not being consistently able to provide safe and compassionate patient care. Our

management and leadership of the department, aided by the best and brightest management and medical leadership of our hospital system, made an informed judgment that preserving vital services in the South Central community was so critical to meeting the urgent needs of that community that keeping MLK-Harbor open and operating was worth the considerable challenges and potential risk, compared to closing and attempting to rebuild from the ground up.

Starting in September, the MLK-Harbor staff began the long journey towards recreating a hospital that ran well, had competent and caring staff, and had physicians who would provide appropriate and timely care to patients. The resources of Harbor-UCLA, Rancho Los Amigos, LAC+USC, the Emergency Medical Services Agency, and a number of excellent private hospitals and their dedicated physicians were added to the MLK-Harbor operation with fewer inpatient beds at MLK-Harbor, so that there was no reduction in total available inpatient beds to treat the residents of the MLK-Harbor service area.

When it became clear to us that the care of the hospital needed to be simplified so that the staff and doctors had the ability to serve the patients who arrived at MLK-Harbor, we replaced the emergency room and inpatient physician staff with private contractors with a strong track record of providing good care in settings similar to MLK-Harbor. Our assessment of the hospital's abilities led to the difficult and unpopular decision to move the care of critically ill children and high-risk mothers to Harbor-UCLA. At no time was there a 'rosy' assessment or an attempt to downplay how important it is to have care delivered at the right hospital by the right staff, despite the costs, negative feedback, or external criticism. It is my opinion that care has improved as a result.

The next step in our reformation efforts was to evaluate staff and determine who could stay at the new MLK-Harbor and who was not able to meet the requirements needed to operate a safe and effective community hospital. This is at best an imperfect exercise, but every member of the then MLK clinical staff was interviewed and their performance histories reviewed by teams of clinical counterparts from Harbor and our other hospitals. Based on that process, staff were selected who the interviewers believed had the right combination of enthusiasm for working in the new environment and the best chance to be successful. This resulted in the reassignment of more than 391 persons, a magnitude of change unprecedented in the Department's history.

For each nurse who was selected to remain at MLK-Harbor, the nursing leadership from Harbor-UCLA and nursing educators from across the Department with outside experts, conducted a detailed skills assessment for 125 Certified Nurse Assistants (CNAs) and for 285 Licensed Nursing staff, including County and contract staff. This involved utilizing a standard curriculum and hands on skills demonstration for each person. The CNAs passed this test with a 56% percent pass rate of all stations on the first try. The ones who didn't were provided training and subsequently virtually all passed.

The story was different for the Licensed Nurses. A two-step testing program was developed

that tested for generic nursing skills that all licensed staff should be able to demonstrate. Of the Licensed Nurses, 53% passed all skills on the first attempt. Each nurse who did not pass was retrained and retested, many on the same day. Until they passed certain critical skills, they were not permitted to perform that task with patients.

After several attempts, most Licensed Nurses passed. Those that did not were removed from patient assignment.

We are currently assessing the specialized skills of nurses who work in the Emergency Department, Step-Down, ICU, Operating Rooms, PACU and Labor and Delivery. We are using the same hands-on skills testing and training for those who cannot demonstrate the skills. If they fail to demonstrate a required skill, they are not permitted to perform that task with patients. For those who cannot pass, they will be removed from patient assignment. This testing is not completed since staff have to be scheduled around state-mandated staffing requirements. All staff will have their assessments completed as planned by the end of June.

No staff area of the hospital has been ignored. For example, Environmental Services (housekeeping) has been a major problem for MLK-Harbor, which led to violation of CMS regulations in the September 2006 survey. MLK-Harbor and Harbor conducted a detailed assessment with outside experts and, as a result, effective June 9, replaced the management and supervision of this department with an experienced hospital contractor who currently meets CMS standards at Harbor and Olive View.

The MetroCare plan, which we have been operating under, set out to offer the most vital services needed in the MLK-Harbor community while replacing staff, retraining staff, and bringing in new procedures that will meet the Department's expectations and CMS requirements. Operating a full Emergency Department with more than 3,000 patient visits per month with 48 on-site inpatient beds created the need to build a sophisticated and reliable patient transfer system that moves, on average, 20 patients per day, more than 300 per month. No other hospital in the country transfers this many patients this frequently. Building a transfer system took time, effort and the resources of all county hospitals, the EMS Agency, and the private hospital community. In the first month MLK-Harbor was being converted to a small, community hospital, an incident with one of the transfers occurred.

This incident, which occurred in February 2007, began with a 4-day stay by this patient in the MLK-Harbor Emergency Department, while he awaited transfer to one of the two hospitals in our system that performs neurosurgery. The MetroCare plan specifically indicated that all neurosurgery, along with other complex cases, would be performed either at Harbor-UCLA or at LAC+USC. This case did not surface as a critical incident initially. When it came to our attention, by a local news outlet, it was reviewed by the medical director at MLK-Harbor who

did not initially believe there were problems with care. We now know, after very complete review, that this case had numerous problems, that the transfer was not timely, and that the initial review at MLK-Harbor was inadequate.

We were verbally informed by CMS and the State that their review of this case led to a finding of "Immediate Jeopardy" by CMS. This is troubling and discouraging in light of more than 1,000 transfers made successfully and without incident. We have taken direct and swift action to remedy the issues related to this case, prior to receiving the actual findings of the surveyors in writing, expected this week. The Department had taken immediate action, long before the CMS verbal exit conference:

- The on-site Medical Alert Center was reestablished by the EMS Agency at MLK-Harbor which is responsible for arranging and accomplishing transfers
- Protocols were put in place for the chief medical officers at MLK-Harbor and Harbor and LAC+USC to escalate any potential delays in care
- The Medical Staff Executive Committee at MLK-Harbor reviewed and approved protocols for use of physician assistants in the ER to begin medical screening exams
- All cases that are awaiting transfer more than 24 hours are reviewed on a daily call by the Senior Medical Director of DHS and the Director of DHS
- In addition to the actions taken before the exit interview, the Chief Medical Officer of MLK-Harbor was placed on an 'ordered absence' yesterday

We were informed by CMS that we will receive, during the next week, findings of CMS and State DHS related to the same case, reviewed under their Emergency Medical Treatment and Labor Act (EMTALA), which we are told focus on the delay of transfer. We also received communication from CMS and State DHS on the ER waiting room case, citing the hospital for an EMTALA violation for failing to provide a medical screening exam. Unlike the neurosurgery case, this incident was not considered an "Immediate Jeopardy".

Based on the information we had already received on the waiting room case, the following immediate action was taken after the completion of a prompt and thorough investigation:

- The employee who failed to arrange the required medical screening exam resigned and the facts around this case reported to the State Nursing Board for their action.
- All employees working in the triage area that night have been counseled and written findings placed in their personnel files.
- Emergency department physicians are the only medical professionals permitted to sign off the completion of medical screening exams before discharge. Although this was the case in the Emergency Room, it was not in Urgent Care and was an issue raised in the CMS report.

As I have told you numerous times, the goal of our Department and my goal as your Director is

to operate a hospital that meets the needs of the South Los Angeles community and complies with national standards. Since September 2006, the hospital has served thousands of Emergency Department patients and hundreds of inpatients. The vast majority left MLK- Harbor having received appropriate care. That isn't good enough! We will not operate a hospital that has systemic failures and does not meet national standards and as your Director, I will be the first to come to you publicly and ask that we close a hospital that does not meet national standards.

On the other hand, I have to tell you that I see signs of progress at MLK-Harbor. Thanks to the involvement of Harbor-UCLA and our other hospitals, staff training and competence has been improved. Our outside contract physicians are providing more timely care to patients. How can I say that in the face of the external surveys? Because our departmental quality measurement staff conduct twice a week detailed review of patient care and there is a daily review with me, our Senior Medical Director and hospital leadership of MLK-Harbor of every death, serious incident, and potential problem and the actions taken to address them. The performance data from our two times a week surveys show continuous improvement in the things that matter the most: patient safety. Medication errors and calculation problems are down, errors in the accurate transmission of physician orders are down, and other measures show improvement. Is this rosy reporting? I don't think it is, these are facts, and it does give me optimism that care is improving.

Where will this all take us? We now have about one month before the final survey by CMS and State DHS that will determine the fate of MLK-Harbor. Between now and then the hospital not only has to prepare itself for this survey, but it also has to respond with Plans of Correction for the EMTALA violations and the Immediate Jeopardy finding. This is daunting, difficult but not impossible. If there is any encouragement in our current situation, it is that both the State and federal leaders indicated in our verbal exit interview that all of the issues they saw were very serious but correctable. This represents progress from earlier MLK issues that seemed both unfixable and a continuation of unsafe practices.

As your Director, my first obligation is to patients. If MLK-Harbor or any of our health facilities ever are deemed unsafe by me or our medical leadership team, we will take action first to protect patients, and then deal with whatever issues that presents. If it means closing a facility, curtailing a service, or replacing staff, the patients' safety will prevail over concerns of funding, fallout, or complaints.

I maintain a cautious but positive attitude about MLK-Harbor ability to pass the upcoming CMS survey. However, the hospital has to stand on its own two feet, with its team of leaders, physicians, nurses and staff able to demonstrate to CMS and State DHS that they can operate a safe, compassionate health facility that meets national standards.

Like at all health facility, my staff develops plans for all types of scenarios. We have plans for fires, earthquakes, internal floods, bioterrorism attacks and we have a plan if MLK-Harbor does

not meet national standards and needs to have its inpatient services closed and emergency patients sent elsewhere. As you will recall, we had a fully developed contingency plan for MLK when it failed the September 2006 CMS survey and by all accounts, the plan was implemented and has been very effective in maintaining the same level of services to patients from South Los Angeles. I will provide an overview of our contingency plan, which we hope never to have to utilize, in a separate report.

In conclusion, I would reiterate that this is one of the most difficult challenges faced by any hospital in the United States. We have approached rebuilding the hospital in an organized and methodical way and the results demonstrate that we have served thousands of patients well and a few very poorly.

We will continue to make changes at the hospital as we see the need or the opportunity and there is no part of the organization that is sacred. I remain cautiously optimistic that the hospital can pass the upcoming CMS survey and realistic that it could not. Our goal is to have the hospital pass, which will be the beginning of a long and difficult path for the MLK-Harbor team to rebuild the hospital, rebuild the confidence of its community, and rebuild its services to realize the dream that created the hospital in the first place.

If you have any questions or need additional information, please let me know.

BAC:cb
MLK-Harbor

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

Health Services
LOS ANGELES COUNTY

June 22, 2007



313 N. Figueroa Street, Suite 903
Los Angeles, CA 90012

Tel: (213) 240-7926
Fax: (213) 250-4013

www.ladhs.org

*To improve health through leadership, service and education.*

TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.
Director and Chief Medical Officer

SUBJECT: **MLK-HARBOR HOSPITAL CONTINGECY PLANNING OVERVIEW**

*On June 12, 2007, your Board instructed the Director of Health Services* (DHS or Department), in collaboration with the Chief Administrative Officer, to present contingency plans to ensure that the County's continued provision of appropriate health care and emergency services to the community in the event that MLK-Harbor Hospital (MLK-H) is not successful in meeting Federal standards within the designated timeframe. This document provides an overview of the contingency plan. The plan will operate in two concurrent tracks, the first is the immediate preservation of services and the longer term plan which anticipates conducting an expedited request for qualified operators to reopen and operate the hospital.

- Inpatient services at MLK-H will be provided at other DHS hospitals, principally Harbor-UCLA Medical Center (H/UCLA) and Rancho Los Amigos National Rehabilitation Center (Rancho), and contract private hospitals.
- Inpatient services at MLK-H will be phased out as soon as feasible on a planned basis as County and contract beds become available. If the Department makes a determination that it is unable to continue inpatient or Emergency Department (ED) operations due to staffing or patient safety concerns, the inpatient services will be closed immediately.
- The ED will be closed and 911 ambulance transports will be redirected in a way which prevents, to the extent possible, the overloading of hospitals in the surrounding areas.
- The current outpatient clinics and 16 hour per day urgent care will be maintained at the MLK-H site.
- Staff at MLK-H not needed for operation of outpatient clinics, urgent care or the support of the building complex will be subject to County civil service rules and County policies related to reduction in workforce.
- While detailed financial forecasts of the impact of this plan have not been completed, preliminary estimates are that the costs of this contingency plan can be funded within the current County costs budgeted for MLK-H.
- Concurrent with the implementation of the plan to continue to serve patients now served at MLK-H, the County will undertake an expedited public solicitation to identify potential private hospital operators with the ability and interest to operate MLK-H. To assist in

- this process, the County will utilize a consulting healthcare firm. This solicitation process is expected to take six months to identify, qualify and present potential operators to the County for consideration and a total of one year for a new operator to be in place.
- Conduct all required notices and hearings, including a Beilenson hearing. Assuming that the hospital does not pass CMS, but retains its license and remains stable:
  - The hospital must notify the EMS Agency and the EMS Commission must conduct a hearing. The process requires a 90 days advance notice prior to closure or reduction.
  - The Board must conduct Beilenson hearings which require a 14 days notice.

**BACKGROUND**

In March 2006, the Department prepared contingency plans in the event that the then Martin Luther King, Jr./Drew Medical Center failed to pass a CMS survey. From March through September 2006, the Department further refined this plan. The hospital failed a subsequent CMS survey and received the results on September 22, 2006. The Department developed and implemented the MetroCare Plan, which incorporated parts of the Department's contingency plan. Certain inpatient hospital services were transferred to H/UCLA (pediatrics, NICU, PICU and high-risk obstetrics); Medical-Surgical beds were opened at Rancho; contracts with four private hospitals were put in place; and inpatient psychiatric services were transferred to LAC+USC Medical Center's (LAC+USC) license.

On December 1, 2006, the hospital began operations with two new contract physician groups helping to replace residents who were removed at the insistence of the ACGME. In a measured, planned process, inpatient beds were reduced as equivalent beds became available at Rancho, H/UCLA, and the private hospital contractors. On March 1, 2006, the hospital reached its current configuration of 48 beds. The ED continued to operate at the same capacity as before September 22, 2006, and outpatient services also continued essentially at the same volumes, except for those programs that had been reassigned to another facility. One of the Department's main goals, the preservation of emergency services in this community, was achieved.

This new contingency plan is based on the current situation at MLK-H, as a significantly smaller community-oriented hospital. It also reflects substantial lessons from the implementation of the MetroCare Plan relating to patient needs, patient preferences, and the abilities of the Department and the private facilities to expand to meet the need for additional inpatient and ED capacity.

The Department's funding assumptions for the plan outlined below are based on the discussions with State DHS and CMS regarding the current MLK-H situation. This plan

has been built on the assumption that some of the inpatient Medicare and Medicaid funding for the current MLK-H patients would follow the patients to another Department facility. However, services provided at these other facilities are reimbursed at considerably lower payment rates than the same services at MLK-H, because of the lower costs at the other Department facilities. Preliminary estimates by the Department indicate that the costs of providing alternative inpatient and ED services can be covered by the current County subsidy to MLK-H. Fixed County costs for pension bonds, workers compensation, and other County allocated costs will continue to be incurred despite the changes and will be factored into the final forecast.

## INPATIENT SERVICES

MLK-H currently is operating 48 inpatient beds: 12 ICU/CCU, 30 Medical-Surgical and 6 Obstetric beds. It was anticipated in the MetroCare plan that the inpatient capacity would be eventually restored to 114 beds, which was adjusted to 120 when maintaining 6 Obstetrics beds was required for continued funding. The Department's goal will be to provide 120 replacement beds in DHS facilities, where possible, and supplement this number with private contract facilities. These replacement beds will be used to accept transfers from DHS facilities and surrounding hospital EDs.

The principal County resource to provide supplemental inpatient ICU and Medical-Surgical beds will be Rancho. Although Rancho is primarily an acute rehabilitation hospital, in September 2006, it had more than 300 licensed inpatient beds in "suspense" which were available for use. During the MetroCare implementation, Rancho opened beds and is currently operating 30 additional Medical-Surgical beds. The contingency plan anticipates Rancho operating 10 additional ICU/stepdown beds and up to 50 Medical-Surgical beds. To do this, Rancho will need additional nursing staff and physician support from County physicians and contractors. It will also require additional staffing for laboratory, radiology and pharmacy in order to meet the needs of additionally acute patients.

H/UCLA is in the process of converting existing space into an additional ICU, which will not be available for use for up to one year. In the meantime, they have identified an additional 20 Medical-Surgical beds that can be made available with additional nursing staff and support personnel.

Because of the impending move to the new LAC+USC with a substantially decreased inpatient capacity, with the exception of highly specialized services, such as neurosurgery or orthopedics, it is not anticipated that LAC+USC will offer additional inpatient beds.

The Department's experience attempting to move patients from MLK-H to Olive View Medical Center (Olive View) was very disappointing. Patients refused transfer from MLK-H to Olive View, citing the long distance and inability of family to be involved with their care. As a result, this plan does not use beds at Olive View to make up for the loss of MLK-H.

Private hospital inpatient bed contracts will be needed to supplement the increased County capacity outlined above. The Department recommends working with the hospitals that have been serving MLK-H patients under their MetroCare contracts. These facilities are expected to provide sufficient inpatient capacity to replace bed-for-bed the beds lost at MLK-H until such time as MLK-H is reopened or other inpatient capacity is available within DHS hospitals.

## EMERGENCY DEPARTMENT SERVICES

Since September 2006, the goal of the MetroCare program has been the preservation of the ED and urgent care services at MLK-H, maintaining a vital service and preventing further deterioration of the entire emergency services available for the South Los Angeles area. At this point, MLK-H is continuing to provide more than 47,000 ED total visits. These visits consist of nearly 12,000 visits arriving via 911 ambulance, nearly 24,000 Emergency walk-in visits, and approximately 12,000 walk-in visits that are classified as Urgent Care rather than Emergency. Despite MLK-H operating at its pre-September ED service level, wait times and service delivery delays occur there and at all the hospitals surrounding the MLK-H service area. There are inadequate ED services in either the public or private hospital sector with insufficient treatment bays to meet the needs of the population.

Because the ED cannot be operated without inpatient acute care services, the Department has developed two approaches to supporting the EMS system upon closure of MLK-H's ED. The Department is proposing the following:

Planned Closure Action (30-60 days):

The EMS Agency, in cooperation with the private hospitals and EMS providers, will redraw the current ambulance service areas to redirect 911 ambulances to H/UCLA and the surrounding private hospitals. These hospitals would be designated as "Impacted" hospitals and would receive priority consideration for transfers of County responsible patients into the County hospital system. They would also be permitted, for the first time, to access County-operated beds and private contracted hospital beds, coordinated through the EMS Agency, on a priority basis.

The Department's goal is for the EMS Agency to facilitate transfers from that hospital ED to one of the Department's facilities or to a contracted hospital. In the event EMS is unable to transfer a County responsible patient, the Department proposes to develop contracts with these facilities to provide reimbursement for inpatient care and physician services for County-responsible patients who are delivered to that hospital via ambulance.

This plan for reimbursement would be subject to the completion of contract negotiations with the "Impacted" hospitals. Regardless of whether the County can reach an agreement with these facilities, the EMS Agency will need to redirect the 911 ambulance transports to these facilities. Clearly, a negotiated arrangement with these "Impacted" hospitals is in the best interest of preserving the EMS system.

Unscheduled Closure Action (immediate):

This action would be used only in the event that MLK-H either loses its license without adequate notice or the Department determines it is unable to meet its staffing requirements. The EMS Agency will direct EMS Providers that serve the current

MLK-H area (i.e., L.A. City, L:A. County and the Compton Fire Departments) to transport patients to each hospital ED within a 12 mile radius on a rotating basis, subject to adjustment based on a patient's acuity. This program is designed to more equitably distribute these patients than would occur if these ambulances simply went to the nearest available facility.

This plan was considered in the earlier MLK contingency plans and was discussed briefly with the affected hospitals and EMS providers at that time. The Department intends this as a short term measure until the Planned Closure Action can be implemented.

Closure Transportation:

In the event of a planned closure, the hospital will be emptied out by shutting off admissions on a specific day and completing the care and discharging patients as their care is completed. In those few instances where a patient's stay is longer than the average of 4.5 days, a patient may have to be transferred to another County or contract hospital.

Should there be an unplanned closure, all patients in house at the time the closure decision is made will need to be transferred to other County or contract hospitals immediately. Prioritized by acuity, patients will be moved using the ambulances currently stationed at King plus other County or contract ambulances.

Since an Urgent Care service will continue to be provided, County or contract ambulance services will be available at the King site to transport any patient whose condition requires care in an Emergency Room.

## MULTI-SERVICE AMBULATORY CARE CENTER (MACC)

If MLK-H loses its inpatient and ED operations, preservation of on-site outpatient care is essential to this medically underserved community. The scope of the MACC is based on the current MLK-H outpatient program, but will need to be re-evaluated based on the availability of physician specialties. Operating the MACC is also essential to limit the number of patients who would otherwise go to other surrounding EDs.

The major components of service delivery will be:

- Urgent Care -- initially, operation will be 16 hours per day, 7 days per week. This will require the maintenance of full ancillary services at the site to support the urgent care. The Department recommends that urgent care continue be staffed by contract physicians.
- Ambulance capability will be available to transfer patients from the urgent care to an ED, if needed.
- Outpatient Surgery -- MLK-H could become a significant Department-wide resource for ambulatory surgery.
- Certain outpatient clinics, such as General Medicine, Pediatrics, OB-GYN, Orthopedics, and Surgery, would operate on their current schedules.
- Staffing would be considerably reduced based on recommended staffing models.
- Signage at the MLK-H site would be revised to indicate that there are no emergency services available.

## INPATIENT PSYCHIATRIC SERVICES AND PSYCHIATRIC ER

This contingency plan assumes that there will be no change in the current organizational responsibilities for inpatient psychiatric services operated by LAC+USC at the MLK-H site. The psychiatric ED at MLK-H is already closed.

## LONGER TERM PLAN

The plan outlined above is short term and designed to facilitate transition of patients and prevent loss of inpatient capacity. On a long term basis, the Department believes it is essential to have inpatient and ED services on the MLK-H site. In the event of an unfavorable CMS survey, the Department will seek Board approval for a solicitation to seek a private hospital operator to provide inpatient and ED services in the current MLK-H facility. Based on experience with the MetroCare contracting process, the Department believes there can be an expedited process where prospective hospital operators would respond to a Request for Information (RFI), with these responses identifying their capabilities, interest, and financial ability to take on a project of this complexity. Using an expert consultant to evaluate RFI responses, the Department would undertake an expedited negotiation process to finalize the terms under which the hospital would be operated. At that point, a contract would be presented to the Board for approval. This process would take a minimum of six months to identify a suitable operator and an additional six months to restore services.

Based on feedback received from private hospital operators in developing the earlier 2006 contingency plan, all private operators expected to have the ability to interview and select those County staff they wished to hire, with the County responsible for placing all non-selected persons. They would also expect the County to absorb all the current County 'fixed costs'.

## OPERATIONAL CONSIDERATION

Licensure Considerations:

The inpatient and special permit licenses of the hospital, if not in the process of being revoked, would be placed "in suspense". This would allow the County or a new operator to place the beds back in service without having to upgrade the facility to current seismic and building and safety standards.

Public Hearings and Notification:

If the hospital fails the CMS survey and an orderly, planned closure is possible, there is a 90 day notice and public hearing requirement prior to the closure of the ED and a requirement for Beilensen hearings related to the decrease of services on the MLK-H site, even though this plan anticipates operating an equivalent number of beds elsewhere.

County Counsel has been asked to evaluate the required hearings that need to be conducted if a more precipitous closure occurs and inform your Board and the Department.

## CONCLUSION

It is important to note that there is no better alternative to continuing the operation of this vital community asset and its emergency and inpatient services. This contingency plan, which the Department hopes to never have to utilize, preserves the most critical components of the service delivery of MLK-H. Even with the above contingency plan, the loss of MLK-H will have an adverse impact on the EMS system and on this medically underserved community. The Department remains committed to working internally and with the relevant stakeholders to *mitigate, as much as possible, the adverse effect on the public.*

It is very important for your Board to know that this plan was developed by internal Department staff and has not been reviewed by hospital representatives, physicians, community advocates or other concerned parties. As a part of the next steps in implementing this plan, should it become necessary, those discussions will occur.

BAC:jrc

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

Health Services
LOS ANGELES COUNTY

June 22, 2007



313 N. Figueroa Street, Suite 903
Los Angeles, CA 90012

Tel: (213) 240-7926
Fax: (213) 250-4013

www.ladhs.org

*To improve health through leadership, service and education.*

TO: Each Supervisor

FROM: Bruce A. Chernof, M.D.
Director and Chief Medical Officer

SUBJECT: **MLK-HARBOR HOSPITAL CONTINGECY PLANNING OVERVIEW**

*On June 12, 2007, your Board instructed the Director of Health Services* (DHS or Department), in collaboration with the Chief Administrative Officer, to present contingency plans to ensure that the County's continued provision of appropriate health care and emergency services to the community in the event that MLK-Harbor Hospital (MLK-H) is not successful in meeting Federal standards within the designated timeframe. This document provides an overview of the contingency plan. The plan will operate in two concurrent tracks, the first is the immediate preservation of services and the longer term plan which anticipates conducting an expedited request for qualified operators to reopen and operate the hospital.

- Inpatient services at MLK-H will be provided at other DHS hospitals, principally Harbor-UCLA Medical Center (H/UCLA) and Rancho Los Amigos National Rehabilitation Center (Rancho), and contract private hospitals.
- Inpatient services at MLK-H will be phased out as soon as feasible on a planned basis as County and contract beds become available. If the Department makes a determination that it is unable to continue inpatient or Emergency Department (ED) operations due to staffing or patient safety concerns, the inpatient services will be closed immediately.
- The ED will be closed and 911 ambulance transports will be redirected in a way which prevents, to the extent possible, the overloading of hospitals in the surrounding areas.
- The current outpatient clinics and 16 hour per day urgent care will be maintained at the MLK-H site.
- Staff at MLK-H not needed for operation of outpatient clinics, urgent care or the support of the building complex will be subject to County civil service rules and County policies related to reduction in workforce.
- While detailed financial forecasts of the impact of this plan have not been completed, preliminary estimates are that the costs of this contingency plan can be funded within the current County costs budgeted for MLK-H.
- Concurrent with the implementation of the plan to continue to serve patients now served at MLK-H, the County will undertake an expedited public solicitation to identify potential private hospital operators with the ability and interest to operate MLK-H. To assist in

- this process, the County will utilize a consulting healthcare firm. This solicitation process is expected to take six months to identify, qualify and present potential operators to the County for consideration and a total of one year for a new operator to be in place.
- Conduct all required notices and hearings, including a Beilenson hearing. Assuming that the hospital does not pass CMS, but retains its license and remains stable:
  - The hospital must notify the EMS Agency and the EMS Commission must conduct a hearing. The process requires a 90 days advance notice prior to closure or reduction.
  - The Board must conduct Beilenson hearings which require a 14 days notice.

**BACKGROUND**

In March 2006, the Department prepared contingency plans in the event that the then Martin Luther King, Jr./Drew Medical Center failed to pass a CMS survey. From March through September 2006, the Department further refined this plan. The hospital failed a subsequent CMS survey and received the results on September 22, 2006. The Department developed and implemented the MetroCare Plan, which incorporated parts of the Department's contingency plan. Certain inpatient hospital services were transferred to H/UCLA (pediatrics, NICU, PICU and high-risk obstetrics); Medical-Surgical beds were opened at Rancho; contracts with four private hospitals were put in place; and inpatient psychiatric services were transferred to LAC+USC Medical Center's (LAC+USC) license.

On December 1, 2006, the hospital began operations with two new contract physician groups helping to replace residents who were removed at the insistence of the ACGME. In a measured, planned process, inpatient beds were reduced as equivalent beds became available at Rancho, H/UCLA, and the private hospital contractors. On March 1, 2006, the hospital reached its current configuration of 48 beds. The ED continued to operate at the same capacity as before September 22, 2006, and outpatient services also continued essentially at the same volumes, except for those programs that had been reassigned to another facility. One of the Department's main goals, the preservation of emergency services in this community, was achieved.

This new contingency plan is based on the current situation at MLK-H, as a significantly smaller community-oriented hospital. It also reflects substantial lessons from the implementation of the MetroCare Plan relating to patient needs, patient preferences, and the abilities of the Department and the private facilities to expand to meet the need for additional inpatient and ED capacity.

The Department's funding assumptions for the plan outlined below are based on the discussions with State DHS and CMS regarding the current MLK-H situation. This plan

has been built on the assumption that some of the inpatient Medicare and Medicaid funding for the current MLK-H patients would follow the patients to another Department facility. However, services provided at these other facilities are reimbursed at considerably lower payment rates than the same services at MLK-H, because of the lower costs at the other Department facilities. Preliminary estimates by the Department indicate that the costs of providing alternative inpatient and ED services can be covered by the current County subsidy to MLK-H. Fixed County costs for pension bonds, workers compensation, and other County allocated costs will continue to be incurred despite the changes and will be factored into the final forecast.

## INPATIENT SERVICES

MLK-H currently is operating 48 inpatient beds: 12 ICU/CCU, 30 Medical-Surgical and 6 Obstetric beds. It was anticipated in the MetroCare plan that the inpatient capacity would be eventually restored to 114 beds, which was adjusted to 120 when maintaining 6 Obstetrics beds was required for continued funding. The Department's goal will be to provide 120 replacement beds in DHS facilities, where possible, and supplement this number with private contract facilities. These replacement beds will be used to accept transfers from DHS facilities and surrounding hospital EDs.

The principal County resource to provide supplemental inpatient ICU and Medical-Surgical beds will be Rancho. Although Rancho is primarily an acute rehabilitation hospital, in September 2006, it had more than 300 licensed inpatient beds in "suspense" which were available for use. During the MetroCare implementation, Rancho opened beds and is currently operating 30 additional Medical-Surgical beds. The contingency plan anticipates Rancho operating 10 additional ICU/stepdown beds and up to 50 Medical-Surgical beds. To do this, Rancho will need additional nursing staff and physician support from County physicians and contractors. It will also require additional staffing for laboratory, radiology and pharmacy in order to meet the needs of additionally acute patients.

H/UCLA is in the process of converting existing space into an additional ICU, which will not be available for use for up to one year. In the meantime, they have identified an additional 20 Medical-Surgical beds that can be made available with additional nursing staff and support personnel.

Because of the impending move to the new LAC+USC with a substantially decreased inpatient capacity, with the exception of highly specialized services, such as neurosurgery or orthopedics, it is not anticipated that LAC+USC will offer additional inpatient beds.

The Department's experience attempting to move patients from MLK-H to Olive View Medical Center (Olive View) was very disappointing. Patients refused transfer from MLK-H to Olive View, citing the long distance and inability of family to be involved with their care. As a result, this plan does not use beds at Olive View to make up for the loss of MLK-H.

Private hospital inpatient bed contracts will be needed to supplement the increased County capacity outlined above. The Department recommends working with the hospitals that have been serving MLK-H patients under their MetroCare contracts. These facilities are expected to provide sufficient inpatient capacity to replace bed-for-bed the beds lost at MLK-H until such time as MLK-H is reopened or other inpatient capacity is available within DHS hospitals.

## EMERGENCY DEPARTMENT SERVICES

Since September 2006, the goal of the MetroCare program has been the preservation of the ED and urgent care services at MLK-H, maintaining a vital service and preventing further deterioration of the entire emergency services available for the South Los Angeles area. At this point, MLK-H is continuing to provide more than 47,000 ED total visits. These visits consist of nearly 12,000 visits arriving via 911 ambulance, nearly 24,000 Emergency walk-in visits, and approximately 12,000 walk-in visits that are classified as Urgent Care rather than Emergency. Despite MLK-H operating at its pre-September ED service level, wait times and service delivery delays occur there and at all the hospitals surrounding the MLK-H service area. There are inadequate ED services in either the public or private hospital sector with insufficient treatment bays to meet the needs of the population.

Because the ED cannot be operated without inpatient acute care services, the Department has developed two approaches to supporting the EMS system upon closure of MLK-H's ED. The Department is proposing the following:

Planned Closure Action (30-60 days):

The EMS Agency, in cooperation with the private hospitals and EMS providers, will redraw the current ambulance service areas to redirect 911 ambulances to H/UCLA and the surrounding private hospitals. These hospitals would be designated as "Impacted" hospitals and would receive priority consideration for transfers of County responsible patients into the County hospital system. They would also be permitted, for the first time, to access County-operated beds and private contracted hospital beds, coordinated through the EMS Agency, on a priority basis.

The Department's goal is for the EMS Agency to facilitate transfers from that hospital ED to one of the Department's facilities or to a contracted hospital. In the event EMS is unable to transfer a County responsible patient, the Department proposes to develop contracts with these facilities to provide reimbursement for inpatient care and physician services for County-responsible patients who are delivered to that hospital via ambulance.

This plan for reimbursement would be subject to the completion of contract negotiations with the "Impacted" hospitals. Regardless of whether the County can reach an agreement with these facilities, the EMS Agency will need to redirect the 911 ambulance transports to these facilities. Clearly, a negotiated arrangement with these "Impacted" hospitals is in the best interest of preserving the EMS system.

Unscheduled Closure Action (immediate):

This action would be used only in the event that MLK-H either loses its license without adequate notice or the Department determines it is unable to meet its staffing requirements. The EMS Agency will direct EMS Providers that serve the current

MLK-H area (i.e., L.A. City, L:A. County and the Compton Fire Departments) to transport patients to each hospital ED within a 12 mile radius on a rotating basis, subject to adjustment based on a patient's acuity. This program is designed to more equitably distribute these patients than would occur if these ambulances simply went to the nearest available facility.

This plan was considered in the earlier MLK contingency plans and was discussed briefly with the affected hospitals and EMS providers at that time. The Department intends this as a short term measure until the Planned Closure Action can be implemented.

Closure Transportation:

In the event of a planned closure, the hospital will be emptied out by shutting off admissions on a specific day and completing the care and discharging patients as their care is completed. In those few instances where a patient's stay is longer than the average of 4.5 days, a patient may have to be transferred to another County or contract hospital.

Should there be an unplanned closure, all patients in house at the time the closure decision is made will need to be transferred to other County or contract hospitals immediately. Prioritized by acuity, patients will be moved using the ambulances currently stationed at King plus other County or contract ambulances.

Since an Urgent Care service will continue to be provided, County or contract ambulance services will be available at the King site to transport any patient whose condition requires care in an Emergency Room.

## MULTI-SERVICE AMBULATORY CARE CENTER (MACC)

If MLK-H loses its inpatient and ED operations, preservation of on-site outpatient care is essential to this medically underserved community. The scope of the MACC is based on the current MLK-H outpatient program, but will need to be re-evaluated based on the availability of physician specialties. Operating the MACC is also essential to limit the number of patients who would otherwise go to other surrounding EDs.

The major components of service delivery will be:

- Urgent Care -- initially, operation will be 16 hours per day, 7 days per week. This will require the maintenance of full ancillary services at the site to support the urgent care. The Department recommends that urgent care continue be staffed by contract physicians.
- Ambulance capability will be available to transfer patients from the urgent care to an ED, if needed.
- Outpatient Surgery -- MLK-H could become a significant Department-wide resource for ambulatory surgery.
- Certain outpatient clinics, such as General Medicine, Pediatrics, OB-GYN, Orthopedics, and Surgery, would operate on their current schedules.
- Staffing would be considerably reduced based on recommended staffing models.
- Signage at the MLK-H site would be revised to indicate that there are no emergency services available.

## INPATIENT PSYCHIATRIC SERVICES AND PSYCHIATRIC ER

This contingency plan assumes that there will be no change in the current organizational responsibilities for inpatient psychiatric services operated by LAC+USC at the MLK-H site. The psychiatric ED at MLK-H is already closed.

## LONGER TERM PLAN

The plan outlined above is short term and designed to facilitate transition of patients and prevent loss of inpatient capacity. On a long term basis, the Department believes it is essential to have inpatient and ED services on the MLK-H site. In the event of an unfavorable CMS survey, the Department will seek Board approval for a solicitation to seek a private hospital operator to provide inpatient and ED services in the current MLK-H facility. Based on experience with the MetroCare contracting process, the Department believes there can be an expedited process where prospective hospital operators would respond to a Request for Information (RFI), with these responses identifying their capabilities, interest, and financial ability to take on a project of this complexity. Using an expert consultant to evaluate RFI responses, the Department would undertake an expedited negotiation process to finalize the terms under which the hospital would be operated. At that point, a contract would be presented to the Board for approval. This process would take a minimum of six months to identify a suitable operator and an additional six months to restore services.

Based on feedback received from private hospital operators in developing the earlier 2006 contingency plan, all private operators expected to have the ability to interview and select those County staff they wished to hire, with the County responsible for placing all non-selected persons. They would also expect the County to absorb all the current County 'fixed costs'.

## OPERATIONAL CONSIDERATION

Licensure Considerations:

The inpatient and special permit licenses of the hospital, if not in the process of being revoked, would be placed "in suspense". This would allow the County or a new operator to place the beds back in service without having to upgrade the facility to current seismic and building and safety standards.

Public Hearings and Notification:

If the hospital fails the CMS survey and an orderly, planned closure is possible, there is a 90 day notice and public hearing requirement prior to the closure of the ED and a requirement for Beilensen hearings related to the decrease of services on the MLK-H site, even though this plan anticipates operating an equivalent number of beds elsewhere.

County Counsel has been asked to evaluate the required hearings that need to be conducted if a more precipitous closure occurs and inform your Board and the Department.

## CONCLUSION

It is important to note that there is no better alternative to continuing the operation of this vital community asset and its emergency and inpatient services. This contingency plan, which the Department hopes to never have to utilize, preserves the most critical components of the service delivery of MLK-H. Even with the above contingency plan, the loss of MLK-H will have an adverse impact on the EMS system and on this medically underserved community. The Department remains committed to working internally and with the relevant stakeholders to *mitigate, as much as possible, the adverse effect on the public.*

It is very important for your Board to know that this plan was developed by internal Department staff and has not been reviewed by hospital representatives, physicians, community advocates or other concerned parties. As a part of the next steps in implementing this plan, should it become necessary, those discussions will occur.

BAC:jrc

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors